# ESG Digest #49
## July 2026

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## Global

# Regional

# Kazakhstan Enacts Climate Law With Reforestation Offsets and Mandatory Regional Adaptation Planning

President signed a law strengthening Kazakhstan's ecological and climate policy in line with international obligations. The law amends the Forest Code to introduce Paris Agreement-based offset projects for reforestation and conservation, and for the first time mandates National Adaptation Plans at the regional level.

The legislation is designed to deepen Kazakhstan's engagement in international carbon mechanisms and advance the country's green economy strategy.

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# Kazakhstan Government Accelerates Green Economy Transition, Orders Regional Energy Efficiency Roadmaps

Prime Minister of Kazakhstan chaired a meeting of the Council on Transition to a Green Economy, covering three priorities: implementation of the Taza Kazakhstan ecological initiative, waste management, and energy efficiency. Governors of five regions and Astana were instructed to approve energy savings roadmaps, given that Kazakhstan's energy intensity remains twice the global average. The municipal waste recycling rate reached 30.7% in 2025, with a target of 40% by 2030.

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# Kyrgyz Republic Adopts Central Asia's First Framework Climate Law Covering Mitigation, Adaptation and Climate Finance

President of Kyrgyz Republic signed the Law on Climate Activity, the first framework climate law in Central Asia, consolidating mitigation, adaptation, climate finance, and institutional responsibilities in a single statute. The law replaces a 2007 act covering only GHG emissions, introducing concepts of carbon units, climate projects, and a GHG quota trading system. The Cabinet of Ministers has six months to update subordinate acts and establish emissions reporting and verification procedures. Most provisions enter into force on 1 January 2027.

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# EBRD and GCF to Commit EUR 160mln to Upgrade Water Infrastructure in Kyrgyz Republic and Republic of Tajikistan

The EBRD and the Green Climate Fund (GCF) have launched the Resilient Water Systems programme for the Kyrgyz Republic and Republic of Tajikistan. The initiative combines a EUR 55mln GCF contribution with EUR 100mln in EBRD financing and EUR 5mln in donor co-financing. The programme will support climate-resilient water infrastructure, utility transformation and long-term adaptation planning to strengthen water security.

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# Central Asian Trade Unions Strengthen Regional Cooperation on Labour Standards

More than 40 trade union leaders from Central Asia met in Tashkent to discuss international labour standards, social dialogue and shared labour market challenges. The conference brought together representatives from Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan to exchange experience and strengthen regional cooperation. Participants also reviewed new ILO labour standards and discussed responsible business conduct, occupational safety and workers' rights in global supply chains.

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Global

# GHG Protocol and ISO Announce Merger of Corporate Carbon Accounting Standards Into Single Global Framework

The Greenhouse Gas Protocol (GHGP) announced the consolidation of its Scope 1, 2, 3 and Actions and Market Instruments (AMI) standards with ISO 14064-1 into a single co-branded corporate standard, with a publication targeted for Q4 2028. The AMI workstream introduces a "multi-statement" approach enabling separate disclosure of physical emissions, market-based emissions, and the GHG impact of corporate actions — a key milestone of the COP30 Action Agenda.

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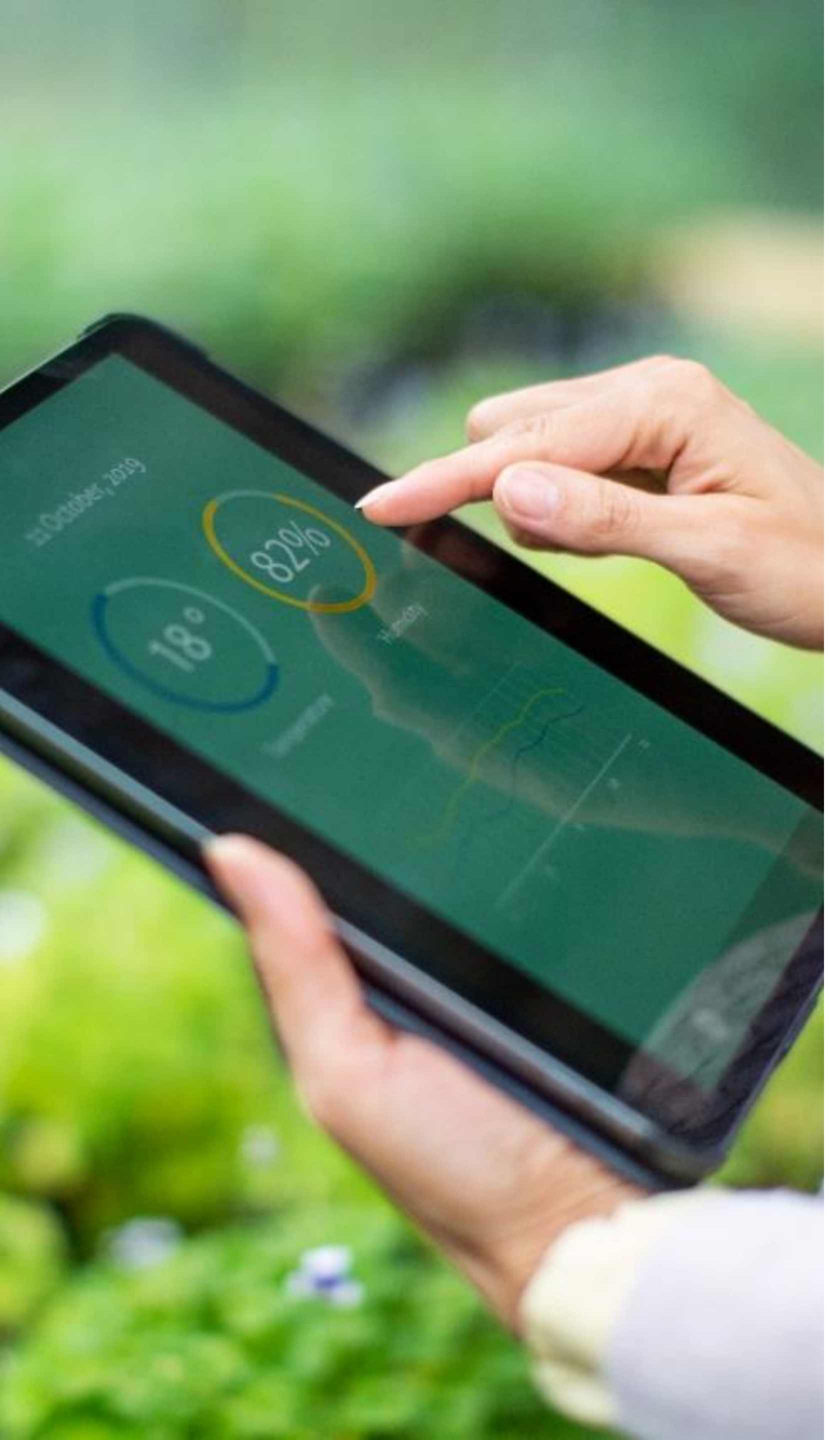


# The European Commission Adopts Revised ESRS, Significantly Reducing the Reporting Burden on Companies

The European Commission adopted the revised European Sustainability Reporting Standards (ESRS 2.0) via delegated act, alongside a separate voluntary standard for entities outside the mandatory CSRD scope. The new standards cut mandatory datapoints by over 60% and total datapoints by over 70%; per-company reporting costs are expected to fall by over 30%. Both acts enter a two-month parliamentary and Council scrutiny period. ESRS 2.0 applies to financial years beginning on or after 1 January 2027.

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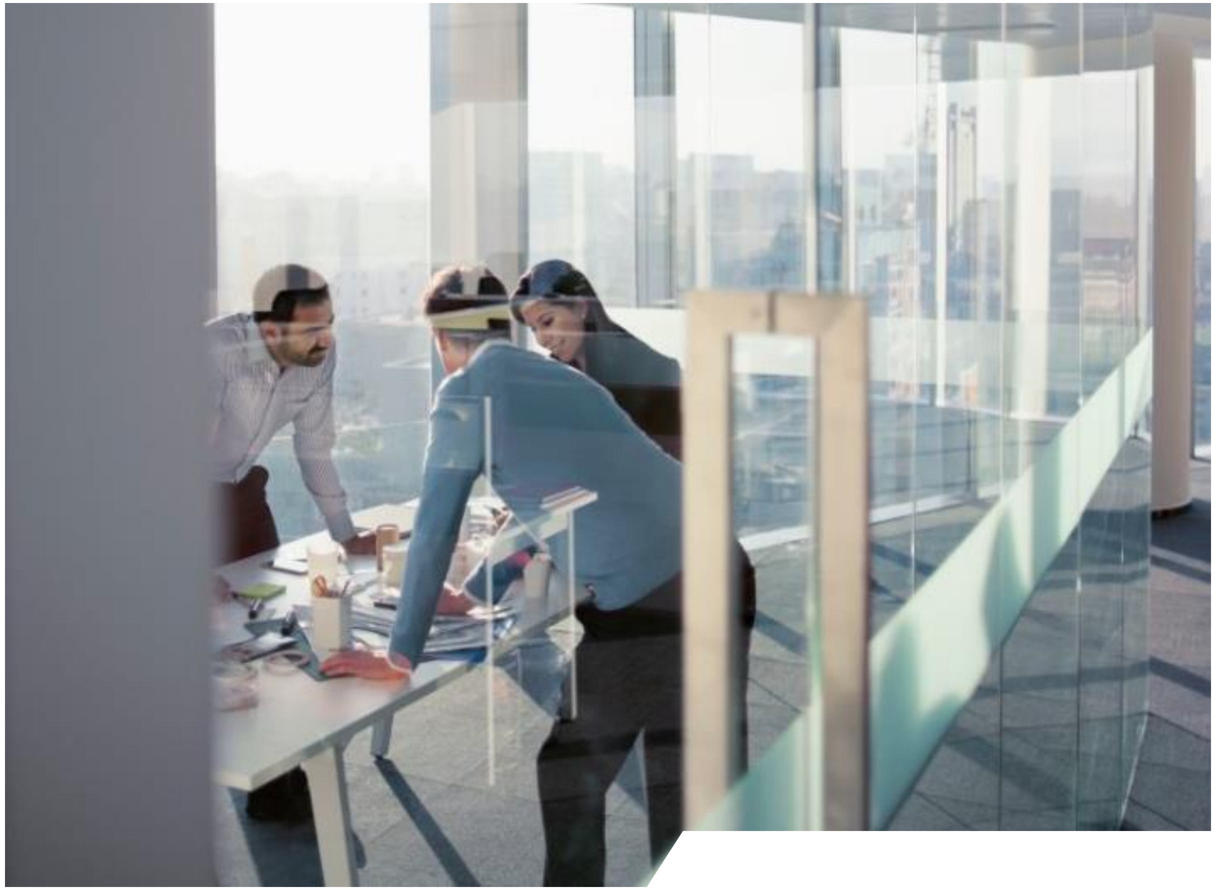
# European Commission Tables EU ETS Phase 5 Reform Proposal for Post-2030 Carbon Market



The European Commission published a proposal to revise the EU Emissions Trading System (ETS), setting the legal framework for Phase 5 from 2031 to 2040. The proposal reduces the linear reduction factor to 3.7% after 2031, establishes a EUR 100bn Industrial Decarbonization Bank, and allows high-quality Article 6 international credits to count toward required reductions from 2036. A parallel proposal adjusts fallback benchmarks for 2026–2030, unlocking approximately 80 million additional allowances for energy-intensive industries.

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# EFRAG Publishes ESRS-40a Exposure Draft for Non-EU Undertakings, Opens 100-Day Consultation

EFRAG published the Exposure Draft of the sustainability reporting standard for certain non-EU undertakings (ESRS-40a) under Article 40a of the Accounting Directive, opening a 100-day public consultation from 23 July to 31 October 2026. The standard applies to third-country companies with EU net turnover exceeding EUR 450mln in each of the last two consecutive years, with EU branches or subsidiaries exceeding EUR 200mln. Taking an impact-only approach based on simplified ESRS, first mandatory reporting covers financial years beginning 1 January 2028.

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# Singapore ACRA Opens Consultation on Draft Sustainability Disclosure Standards, Making Climate Reporting Mandatory

Singapore's Accounting and Corporate Regulatory Authority (ACRA) opened a public consultation on draft Singapore Sustainability Disclosure Standards (SFRS S1 and S2), running from 27 July to 25 October 2026. The draft disclosure standards are based on the International Sustainability Standards Board (ISSB) Standards, with adjustments for Singapore's context. The draft proposes making only the climate-specific standard (SFRS S2) mandatory while keeping SFRS S1 voluntary — a deliberate divergence from the ISSB framework on which the standards are based. ACRA simultaneously launched a Sustainability Assurance Body of Knowledge to build audit capacity.

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# SBTi Launches Second Public Consultation on Updated Power Sector Net-Zero Standard

The Science Based Targets initiative (SBTi) launched a second public consultation on its updated draft Power Sector Net-Zero Standard, as part of the sector guidance rollout aligned with Corporate Net-Zero Standard Version 2.0. The standard sets science-based decarbonization requirements for electricity generators and utilities across near-term and long-term horizons. Version 2.0 becomes mandatory for all new SBTi target submissions from 1 February 2028.

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# AI Helps Turn Satellite Data into Methane Action, UNEP Reports

A new UNEP report shows that artificial intelligence is helping convert satellite methane observations into faster mitigation actions in the oil and gas sector. Through the Methane Alert and Response System (MARS), AI has supported more than 40 methane mitigation actions since 2024 and helped identify emissions equivalent to the annual emissions of nearly 24 million gasoline-powered passenger cars. The system enables analysts to process up to 15 times more satellite data while maintaining scientific oversight and is expanding to additional sectors, including coal and waste.

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# ISSB Proposes Sustainability Taxonomy Update for GHG Disclosures

The International Sustainability Standards Board (ISSB) has released a proposed update to the IFRS Sustainability Disclosure Taxonomy reflecting the 2025 amendments to IFRS S2 on greenhouse gas emissions disclosures. The update does not introduce new reporting requirements but supports digital reporting by enabling companies to tag sustainability information in a machine-readable format. Stakeholders can submit comments on the proposal until 28 September 2026.

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# GRI Endorses Kumamoto Declaration to Advance Nature-Positive Action

GRI and its Global Sustainability Standards Board (GSSB) have endorsed the Kumamoto Declaration, joining 85 signatories in calling for faster action to halt and reverse biodiversity loss by 2030. The declaration highlights the need for consistent, standards-based reporting to improve transparency and support a transition to a nature-positive economy. GRI emphasized that biodiversity reporting plays a key role in helping organizations understand and manage their impacts on nature.

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# IFC Launches USD 2bn Green Bond

The International Finance Corporation (IFC) issued a USD 2bn green bond, its first US dollar benchmark bond of the fiscal year and first dollar-denominated green benchmark since 2017. The issuance attracted USD 8bn in investor demand from 120 orders and was launched under IFC's updated Green Bond Framework.

Proceeds will finance private sector projects in developing countries supporting climate action, biodiversity, resilience, water protection and the circular economy.

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